COMMONWEALTH EDISON COMPANY
Response to Staff's June 24, 2022, Request for Feedback
Regarding Low-Income Rate Programs
August 12, 2022

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COMMONWEALTH EDISON COMPANY
Response to Staff's June 24, 2022, Request for Feedback on Low-Income Discount Rate Programs for Electric and Gas Residential Customers

August 12, 2022

INTRODUCTION

Commonwealth Edison Company ("ComEd") is committed to ensuring all customers have access to safe, reliable, and affordable electric service. While ComEd bills are lower today than a decade ago, we recognize that our bills are just one small component of the affordability landscape facing Illinois families. Recent utility financial assistance efforts, like those measures provided to customers during the COVID-19 pandemic, exemplify ComEd's commitment to helping our communities and families facing economic challenges. ComEd prioritizes seeking innovative and meaningful solutions to assist and improve our customers' situations as we emerge from the pandemic and look forward towards our collective, clean energy future.

ComEd greatly appreciates the opportunity provided by the Staff ("Staff") of the Illinois Commerce Commission ("ICC" or "Commission") to provide feedback on the topic of low-income discount rate programs and related issues in advance of the Commission's forthcoming low-income discount rate report, due to the Illinois General Assembly by January 1, 2023, as outlined by the Clean Energy Jobs Act ("CEJA") in Section 9-241 of the Public Utilities Act ("PUA"). While Section 9-241 specifically seeks information about "low-income discount rates", ComEd believes that all potential options to improve affordability should be considered. As such, ComEd's informal comments range beyond discount rate programs and provide information about additional types of low-income programs. Our comments highlight Illinois' many existing utility assistance programs, including bill credits (*i.e.*, Utility Disconnection Avoidance Program ("UDAP")), Illinois' gold-standard wallet share Percentage of Income Payment Plan ("PIPP")), arrearage forgiveness (*i.e.*, Supplemental Arrearage Reduction Program ("SARP")), and Bill Payment Assistance ("BPA")) programs. In particular, ComEd believes it is essential to determine ways to increase enrollment and unlock additional funding for established programs, like PIPP. As such, ComEd's comments provide suggestions for enhancing and expanding PIPP.

There are multiple considerations that must be taken into account when designing a low-income program, such as eligibility and funding requirements. Each consideration has different associated impacts and related costs for not only the program participants, but also for all other customers. ComEd's comments describe those design considerations and ComEd is committed to assisting Staff with its efforts to analyze new program proposals and their potential impact on all customers.

NOTE ON THE PUA AND OTHER APPLICABLE LAW

The evaluation of any potential low-income discount rate considered under Section 9-241 should include: (1) a review of whether the potential rate is consistent with the new and existing provisions of the PUA (and other applicable law); and (2) if there is or may be an inconsistency between language in various parts of the law, then a review of how the applicable language of Section 9-241 and the other provisions can best be interpreted and harmonized given those inconsistencies. For example:

- Other language in Section 9-241 prohibits unreasonable differences as to rates, while PUA Section 16-108(c) contains language regarding, among other things, "cost based" charges.

- With respect to applying a discount to transmission costs, Section 16-108(a) of the PUA states in part: "An electric utility shall provide the components of delivery services that are subject to the jurisdiction of the Federal Energy Regulatory Commission **at the same prices**, terms and conditions set forth in its applicable tariff as approved or allowed into effect by that Commission." (Emphasis added.)

There might be similar questions with respect to other provisions of the PUA or other laws, such as the PUA provisions on the means of recovery of certain costs in Section 16-108(i-5) (Coal to Solar and Energy Storage Initiative Charge) and (k) (zero emission credits, carbon mitigation credits, and other renewable energy resources) and on the "pass through" of costs of procuring electric power and energy in Section 16-111.5(*l*). ComEd takes no position on these legal issues at this time, but merely raises them for Staff's consideration when evaluating low-income program proposals and comments.

DISCUSSION

Staff requested feedback on seven specific topics, which mirror the requirements for Staff's report provided in Section 9-241. ComEd's feedback provide initial thoughts on each area (*i.e.*, eligibility, rate structures, recovery, verification, confidentiality, outreach, and overall impacts). For purposes of these comments, all potential options will be referred to as a "low-income program" or "program".

Eligibility

One of the essential considerations for designing a low-income program is the eligibility criteria. The eligibility criteria for any assistance program are crucial in determining the benefit, size, impact, and cost of the program. Eligibility criteria clarifies for whom the program is designed to assist (*i.e.*, eligible customers), as well as who will likely shoulder the costs of the program, which can impact rates of non-eligible customers.

The PUA provides many options, but little clarity, for purposes of determining who is considered "low-income", and therefore eligible for low-income program participation. CEJA uses seven different definitions of "low-income" throughout its content, one of which was included in new PUA Sections 8-201.7 and 8-201.8. Meanwhile, the PUA carried over other existing definitions (Sections 8-103B and 21-201, the latter of which is a telecom provision), and 83 Ill. Admin. Code has another. Accordingly, there are many possible definitions of "low-income customer", and the appropriateness and merits of any potential definition might vary by context or proposal. The main categories that are used to determine low-income eligibility criteria are income (*e.g.*, Federal Poverty Level ("FPL"), Area Median Income ("AMI") or State Median Income ("SMI")); location-based criteria (*e.g.*, Restore. Reinvest. Renew ("R3") or equity investment communities); and secondary measures (*e.g.*, existing enrollment in or eligibility for existing federal assistance programs). Each type of eligibility measure has different impacts and considerations for overall program design.

A. PUA's Different Definitions of Low-Income

Illinois has no single statutory definition of "low-income." CEJA's new low-income discount rate provisions in Section 9-241 of the PUA do not define "low-income".

CEJA contains seven different definitions (of which six are new) of: "low-income" (four definitions), "low-income community", "low-income households", and "low-income residential customer or applicant".

- CEJA's new definition of "Low-income residential customer or applicant" appears (twice) in the PUA (§§ 8-201.7, 8-201.8) (SB2408 Enrolled, pp. 659, 660).
- CEJA also includes five other new definitions: "low-income" in the Energy Community Reinvestment Act (§ 10-10), "low-income" and "low-income community" in the Illinois Clean Jobs and Justice Fund Act (§ 20-10), "low-income" in the Electric Vehicle Act (§ 45), and "low-income" in the Electric Vehicles Rebate Act (§ 10) (SB2408 Enrolled, pp. 114, 142, 198, 660, 943).
- CEJA includes the existing definition of "low-income households" in the Illinois Power Agency Act (§ 1-56(b)) (SB2408 Enrolled, p. 303).

In addition, the PUA contains two other different definitions of "low-income household[s]" (§§ 8-103B(c) and 21-201(p), the latter being a telecom provision), while 83 Ill. Admin Code § 280.20 has a different definition of a "low-income customer".

B. Income-Based Eligibility Criteria

Several of the PUA definitions of low-income use household or individual income as the eligibility criteria. (Sections 8-103B(c) and 21-201(p), "low-income household"; *see also* 83 Ill. Admin Code § 280.20 "low-income customer"). Each is slightly different and the estimated number of ComEd customers meeting these income-based standards varies.

When considering income-based eligibility criteria for low-income programs, it is important to remember that ComEd and other Illinois utilities generally do not gather and retain customers' income information, for customer privacy and data security reasons. In ComEd's case, it relies on other parties, such as Local Administrating Agencies ("LAAs"), to conduct the customer's income-based eligibility verification. The only current exception is ComEd's Waiver of Deposits and Late Payment Charge ("LPC") Program (as described in Section IV(c) of this document).

Percentage of Federal Poverty Level ("FPL"): FPL is a poverty threshold standard[1] issued annually every January by the U.S. Department of Health & Human Services. FPL is used to determine the eligibility of certain federal assistance and benefits programs, such as the Low-Income Home Energy Assistance Program ("LIHEAP"), based on income and household size.

The 100% FPL threshold is the minimum level of resources adequate to meet basic needs of the household, including food, clothing, shelter, and utilities. FPL threshold varies by family size to

[1] Section 673(d) of the Omnibus Budget Reconciliation Act (OBRA) of 1981 (42 U.S.C. 9902(2)).

reflect the scaling needs of different family sizes. The 2022 FPL threshold (Table 1), showing annual income is as follows[2]:

Table 1: The 2022 FPL Threshold

Household Size	50%	100%	150%	200%	250%	300%	350%	400%
1	$6,795	$13,590	$20,385	$27,180	$33,975	$40,770	$47,565	$54,360
2	$9,155	$18,310	$27,465	$36,620	$45,775	$54,930	$64,085	$73,240
3	$11,515	$23,030	$34,545	$46,060	$57,575	$69,090	$80,605	$92,120
4	$13,875	$27,750	$41,625	$55,500	$69,375	$83,250	$97,125	$111,000
5	$16,235	$32,470	$48,705	$64,940	$81,175	$97,410	$113,645	$129,880
6	$18,595	$37,190	$55,785	$74,380	$92,975	$111,570	$130,165	$148,760
7	$20,955	$41,910	$62,865	$83,820	$104,775	$125,730	$146,685	$167,640
8	$23,315	$46,630	$69,945	$93,260	$116,575	$139,890	$163,205	$186,520
9	$25,675	$51,350	$77,025	$102,700	$128,375	$154,050	$179,725	$205,400
10	$28,035	$56,070	$84,105	$112,140	$140,175	$168,210	$196,245	$224,280
11	$30,395	$60,790	$91,185	$121,580	$151,975	$182,370	$212,765	$243,160
12	$32,755	$65,510	$98,265	$131,020	$163,775	$196,530	$229,285	$262,040
13	$35,115	$70,230	$105,345	$140,460	$175,575	$210,690	$245,805	$280,920
14	$37,475	$74,950	$112,425	$149,900	$187,375	$224,850	$262,325	$299,800

The table below provides the estimated percentage of active ComEd residential customer accounts that fall within these FPL thresholds (as of December 31, 2021) based on census data. Note that the number of residential accounts does not equal the number of individual residential customers in these households. ComEd does not track the number of individuals associated with each residential account.

[2] HHS Poverty Guidelines for 2022 -- U.S. Department of Health and Human Services ("HHS"), available at www.aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines, last accessed August 4, 2022.

Table 2: The 2022 FPL threshold

FPL %	Number of Residential Customer Accounts (Est.)[3]	Percentage of ComEd Residential Customer Accounts (Est.)
50% FPL	94,995	3%
Up to 100% FPL	329,752	9%
Up to 150% FPL	568,406	15%
Up to 200% FPL	803,569	22%
Up to 250% FPL	1,011,154	27%
Up to 300% FPL	1,376,421	37%
Above 300% FPL	2,307,737	63%
Total Active ComEd Residential Customer Accounts	3,684,158	100%

Area Median Income ("AMI"): AMI is the household income for the median household in a geographic area (*e.g.*, state, county, or city). In other words, if you line up households in an area from the poorest to the wealthiest, the income of the household in the middle will be the AMI for that area. Under this approach, AMI for specific counties, cities, and zip codes may vary[4] depending on the area being considered.

AMI is based on data collected annually by the U.S. Census Bureau and includes the income of the householder and all individuals 15 years old and over within the household[5]. The U.S. Department of Housing and Urban Development ("HUD") uses AMI to determine eligibility for affordable housing programs, such as housing vouchers, inclusionary zoning, low-income housing tax credits, and public housing.

Illinois' State Area Median Income in 2022 is as follows:[6]

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[4] Fannie Mae -- Area Median Income Lookup Tool (ami-lookup-tool.fanniemae.com), last accessed August 4, 2022.
[5] U.S. Census Bureau Definition of Median Household Income, available at https://www.census.gov/quickfacts/fact/note/US/INC110220, last accessed August 4, 2022.
[6] FY 2022 Income Limits Documentation System -- Summary for Illinois, available at http://www.huduser.gov/portal/datasets/il/il2022/2022summary.odn, last accessed August 4, 2022. HUD only provides 30%, 50% and 80% AMI. 60% AMI was calculated using HUD methodology

Table 3: Illinois Median Household Income ($97,600)

Household Size	60% AMI	80% AMI
1	$39,960	$53,250
2	$45,660	$60,850
3	$51,360	$68,500
4	$57,060	$76,100
5	$61,620	$82,150
6	$66,180	$88,250
7	$70,740	$94,350
8	$75,300	$100,450

ComEd estimates that of its residential customers, about 1.1 million residential customers (or about 30%) fall within 60% State AMI, and 1.5 million residential customers (or about 40%) fall within 80% State AMI in its service territory. In general, 80% AMI roughly aligns with 300% FPL.

As explained earlier, AMI varies based on geographic area (state, county, or city). The AMI for ComEd service territory is reflected below by the Chicago-Joliet-Naperville Metropolitan Statistical Area ("MSA"). Chicago-Joliet-Naperville MSA covers Cook, DuPage, Kane, Lake, McHenry, and Will counties.

Table 4: Chicago-Joliet-Naperville MSA Median Household income ($107,800)[7]

Household Size	60% AMI	80% AMI
1	$43,800	$58,350
2	$50,040	$66,700
3	$56,280	$75,050
4	$62,520	$83,350
5	$67,560	$90,050
6	$72,540	$96,700
7	$77,580	$103,400
8	$82,560	$110,050

[7] FY 2022 Income Limits Documentation System -- Summary for Chicago-Joliet-Naperville MSA, available at https://www.huduser.gov/portal/datasets/il/il2022/2022summary.odn, last accessed August 9, 2022. HUD only provides 30%, 50% and 80% AMI. 60% AMI was calculated using HUD methodology

C. Location-based Eligibility Criteria

As a result of CEJA, some of the PUA's definitions for low-income customers require tracking communities by census block, in an effort to address specific burdens faced by customers located in environmental justice and equity investment eligible communities. (See Section 16-108.18)

ComEd is not aware of a state or a utility that solely uses location-based eligibility criteria for a low-income program.

When considering location-based eligibility criteria for low-income programs, it is important to remember that the criteria is both under- and over-inclusive. Customers who live in a certain geographic area despite having a high household income would automatically qualify for the program (over-inclusive). However, those customers who do not live in these geographic areas would not be considered eligible for a program despite experiencing financial hardships (under-inclusive). Additionally, in Illinois' situation, where third parties (like R3) determine the qualifying census blocks, it is unclear to ComEd how often or when location-based eligibility driven by zip code location will be updated, which makes multi-year program design, planning, execution, and assessment more difficult.

ComEd has experience with the use of location-based eligibility criteria in its **Waiver of Deposit and LPC Program**. Specifically, with the enactment of CEJA, residential ComEd customers identified as meeting the requirements of "low-income residential customer or applicant" (and eligible) under Sections 8-201.7 and 8-201.8 of the PUA have had deposits and late payment charges waived.

There are five eligibility prongs of Sections 8-201.7 and 8-201.8. Four of the five eligibility prongs focus on income, and all those income-based prongs fall under the umbrella of household incomes up to 80% AMI.

Therefore, to streamline the customer identification process, ComEd allows those customers residing in 40 high-density low-income zip codes who apply for the waiver to self-certify (*i.e.*, submit a signed application), rather than requiring additional income documentation. A "high density" low-income zip code is defined as 60% or more of households between 0-80% of AMI per the 2020 US Census Bureau data.[8] [9]

While considered, ComEd did not expand this geographic self-certification to all residential customers because of the financial impact on other customer bills.

[8] Those customers who do not reside in the 40 identified zip codes can still receive the waiver protections either through application for the Waiver Program, or because they are currently receiving LIHEAP or PIPP benefits under the Energy Assistance Act (which is one of the eligibility programs) and have been automatically approved for the Waiver Program. This is discussed in more detail in the verification section (Section IV) below.

[9] ComEd's General Terms and Conditions – Sheet 151, available at https://www.comed.com/SiteCollectionDocuments/MyAccount/MyBillUsage/CurrentRates/09_General_Terms_and_Conditions.pdf, last accessed August 9, 2022.

D. Eligibility-Based Secondary Measures (*e.g.*, enrollment in federal/ state programs)

Several of the PUA's existing definitions of low-income rely on enrollment in or eligibility determinations previously made for purposes of another federal or state assistance program. For example, Part 280 defines low-income by referring to the Energy Assistance Act,[10] which permits the Department of Commerce and Economic Opportunity ("DCEO") to modify LIHEAP and PIPP income eligibility requirements every program year. PUA Section 8-201.7 regarding utility Waiver of Deposit and LPC Programs include income eligibility criteria to be household eligible to receive Lifeline service as defined in the Universal Service Telephone Service Protection Act[11] of 1985.

For ComEd, there are several low-income assistance programs for which eligibility relies on the customer's enrollment in other federal or state assistance programs, like LIHEAP. This is in large part because ComEd does not have an existing eligibility verification process and does not collect or retain customers' sensitive income information. Those programs are:

- the 2020 and 2021 Bill Payment Assistance ("BPA") program, which provided one-time grants of up to $500 grant to LIHEAP and PIPP recipients.

- The 2021 and 2022 Utility Disconnection Avoidance Program ("UDAP"), which provided arrearage forgiveness credits up to $5,000 to LIHEAP and PIPP recipients.

- ComEd's Supplemental Arrearage Reduction Program ("SARP"), which qualifies customers if they are LIHEAP and PIPP recipients.

When considering eligibility based on secondary measures, it is important that the low-income program administrator has access to the original eligibility determination. For example, ComEd's customer information management system ("CIMS") receives electronic notification from the DCEO systems regarding LIHEAP and PIPP applicants so that it receives instant notifications from LAAs when customers are approved for the programs. This quick and transparent system enables ComEd to efficiently identify the customer in CIMS and provide the customer with the available benefits.

If there is no such access or transparent communication between entities, inefficiencies will be created for the enrolling customer, who will need to provide eligibility/enrollment information multiple times (for example: with the original state or federal program administrator and again with the utility program administrator). Different program administrators would have different processes and procedures, which the customer would have to navigate anew for each program. This creates a very burdensome and likely frustrating customer experience. An example of this is Waiver of Deposit and Late Payment Charge process, where one of the eligibility criteria is eligibility in the federal Lifeline service as defined in the Universal Service Telephone Service Protection Law of 1985. ComEd does not have access to the eligibility determinations of the federal Lifeline program, and therefore, ComEd must request that a customer provide proof of Lifeline eligibility and/or program enrollment to qualify for the electric-related waiver. In addition, if the customer's gas company offered the same waiver program, the same customer would have

[10] 305 ILCS 20/6(a), Eligibility, Conditions of Participation, and Energy Assistance.
[11] H.R. 151 – Lifeline Telephone Service Act of 1985 – 99th Congress Bill HR 151, available at https://www.congress.gov/bill/99th-congress/house-bill/151, last accessed August 5, 2022.

to navigate what is surely a different process and procedure with the gas company to qualify for the gas-related waiver.

Rate Structures

There are a variety of utility-focused low-income assistance programs around the country. Low-income program designs related to utility assistance vary widely across the U.S., balancing tradeoffs between simplicity, income- and usage-based sliding scales, inclusion of non-income hardships, and pairing with energy efficiency programs and incentives. Generally, these programs fall into four general program design "buckets": a low-income rate, bill credits (percentage of and fixed), targeted share of wallet, and arrearage forgiveness.

A. Low Income Rate with Low-Income Rate Class

A low-income rate program, with its own low-income rate class, could take several forms, including charging a different amount per kilowatt hour of electricity used, modified customer charges, or allowing the low-income class to avoid funding certain programs. ComEd is not aware of low-income rates being used that calculate a reallocation of costs based upon usage characteristics of low-income customers.

While the concept of a low-income rate is intriguing, there are a number of challenges with a low-income rate if there is a desire to make the cost allocations cost based. First, new low-income delivery classes would have to be created. Using ComEd's existing Embedded Cost of Service Study ("ECOSS"), any potential lower cost allocation would rely on impacts from the coincident peak ("CP") and non-coincident peak ("NCP") kilowatt demand allocators and billing kWhs for the new delivery classes as compared to the existing residential delivery classes. Instead of the current four delivery classes for ComEd residential customers, four new, additional residential delivery classes would need to be created to carve out a class for low-income customers under each delivery class (*i.e.*, single family low income, multi-family low income, single family with electric space heating low income and multi-family with electric space heating low income).

It would also be difficult to identify and track who should be considered part of these new classes. Traditionally customers are categorized into rate classes based on easy-to-identify characteristics, such as type of entity served (*i.e.*, residential housing or railroads) and average load. Identifying customers to be part of a low-income rate class would present very unique challenges if the eligibility criteria were not based upon pre-existing customer enrollment in certain utility financial assistance programs, such as LIHEAP. As previously mentioned, ComEd does not collect or retain customers' sensitive income information, because of customer privacy and security concerns, as well as the added administrative costs for the utility. There is also the question of whether such a rate, which presumably would provide service for less than the cost to serve, would be unlawful and discriminatory in violation of the PUA. Customers on low-income programs are located throughout ComEd's service territory and a low-income program participant is served by the same distribution wires and transformers as their neighboring non-low-income program participants. The actual physical cost to construct distribution facilities is the same to both the low-income and non-low-income customers that are located next to each other. In other words, the cost to serve is the same.

Any low-income rate design should include an element of energy conservation. The elimination or reduction of a price signal (*i.e.*, the bill) could result in customers increasing their usage. Therefore, a low-income rate program should include or require an energy management component. This would help prevent increased usage by customers who receive service under the low-income rate.

B. Bill Credit

Generally, there are two types of bill credits – percentage-based credits (*i.e.*, the credit amount is based on a percentage of the bill) and fixed credits (*i.e.*, the credit is the same, regardless of the total bill). Generally, bill credits are provided to all eligible customers regardless of whether they have an account arrearage.

A fundamental issue when designing a percentage of bill credit program is what portion of the bill is considered and then credited (*i.e.*, entire bill, or just delivery and not supply, transmission, taxes, and fees). In deregulated markets like Illinois, there may be challenges with discounting the entire bill. For instance, due to legal and regulatory constraints, transmission, and the supply portions of the bill in Illinois may not lend themselves to discounting since these services may be billed by other parties.

Another consideration when designing a low-income bill credit program is whether the credit will impact customer energy usage. The elimination or reduction of a price signal (*i.e.*, the bill) could result in customers increasing their usage, or for a customer to not as effectively "shop" for the lowest available rates, especially supply rates. They may also cause a disincentive for customers to join demand response programs, such as ComEd's Rider PTR or Rider AC or enroll in ComEd's hourly supply service.

i. Percentage of Bill Credit

These bill credit programs provide a percentage of a customer's utility bill as a credit, regardless of whether the customer has an arrearage.

For instance, Arizona Public Service's Energy Support program provides a 25% discount on monthly bills for customers who fall under 150% of FPL[12]. California's Alternate Rates for Energy ("CARE") and Family Electric Rate Assistance Program ("FERA")[13] provide percentage of bill credits to eligible customers, specifically CARE provides a 30-35% discount on electric bill for customers under 250% FPL and FERA provides a 12% discount on electric bill for customers between 200-250% FPL.

ii. Fixed Bill Credit

Fixed bill credit programs provide fixed dollar credits to offset a portion of a customer's utility bill. The credit can be applied monthly or annually. For example, Unisource Energy in Arizona provides a $16 monthly credit for electric customers who fall under 200% FPL[14]. Central Maine Power's Electricity Lifeline program provides an annual credit of $900 for customers who are eligible for Home Energy Assistance Program ("HEAP").[15]

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[12] Energy Support Program, available at https://www.aps.com/en/Residential/Account/Assistance-Programs/Energy-Support-Program, last accessed August 4, 2022.
[13] CARE/FERA Program, available at https://www.cpuc.ca.gov/lowincomerates/, last accessed August 4, 2022
[14] CARES Program, available at https://www.uesaz.com/customer-assistance/, last accessed August 4, 2022.
[15] Electricity Lifeline Program – Help With Your Bill, available at https://www.cmpco.com/wps/portal/cmp/account/waystopay/helpwithbill, last accessed August 4, 2022.

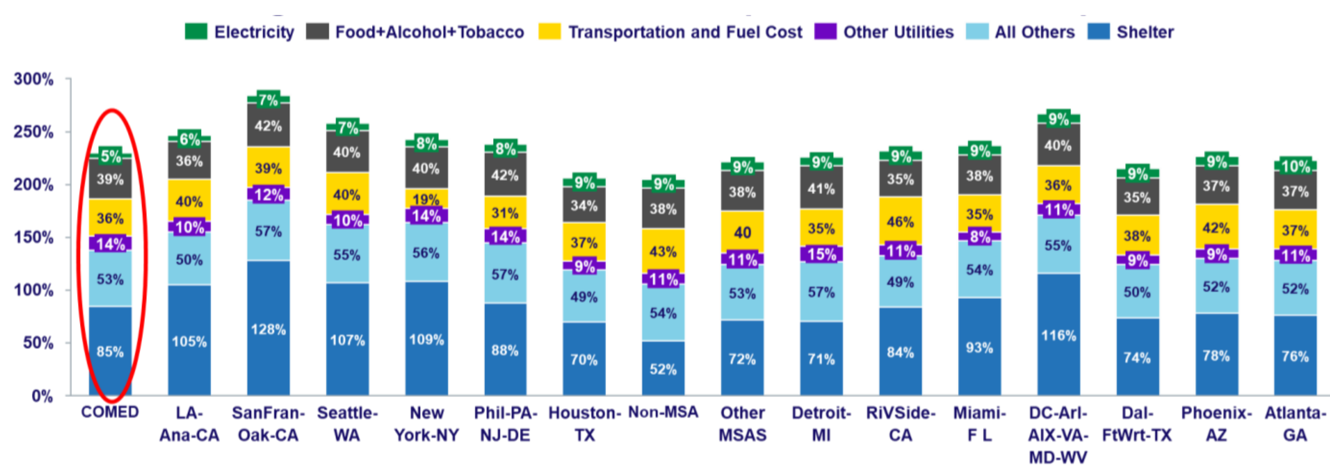
In Illinois, the Supplemental LIHEAP grants disbursed in Summer 2021 and 2022 (also known as the Summer Supplemental Payment Program or "SSPP") was a fixed bill credit program. This program was funded out of customer contribution dollars remitted to the state and was administered by DCEO. Customers who were already receiving LIHEAP benefits received $100 per electric and gas bill and $200 per all-electric customers.

C. Targeted Share of Wallet

Wallet Share programs (also referred to as "energy burden" programs) provide a discount to customers to ensure that a customer's utility bill will not exceed a determined percentage (*i.e.*, wallet share). Basically, a household's "wallet share" or "energy burden" is the gap between actual home energy bills compared to a household's income. The PIPP program in Illinois is an example of a targeted share of wallet program (more on PIPP below).

The percentage discount can target either a percentage of income or a percentage of household expenditure. Targeting a share of expenditure incorporates income and non-income earnings of low-income customers. As shown below in Tables 5 and 6, in 2019, ComEd electric bills are 2% and 5% of low-income customers expenditure and total income respectively. ComEd low-income customers (150% FPL) benefit from low electricity cost compared to other expenditure categories among major MSAs.

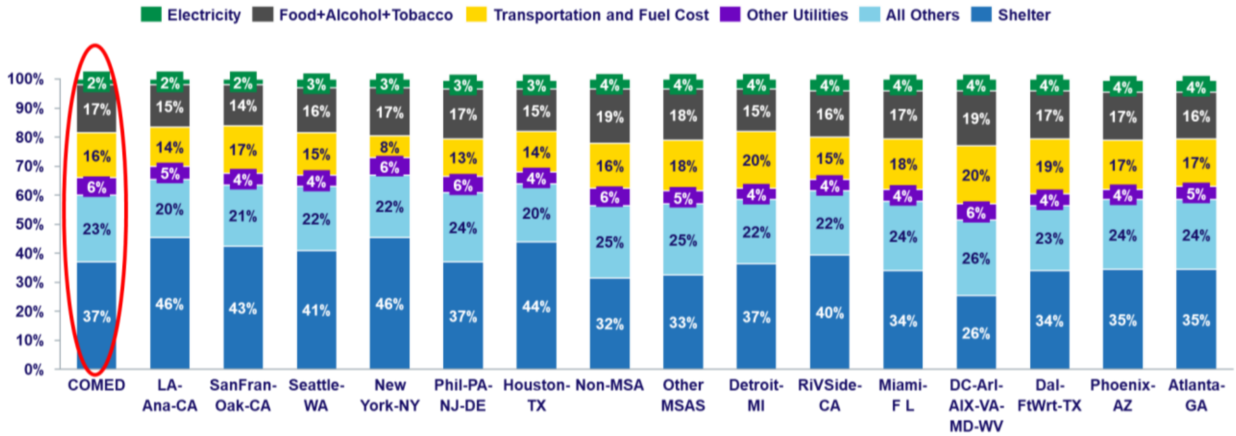
Table 5: ComEd Bill as Percentage of Household Income of Low-income Customers (150% FPL) in 2019[16] [17]



Estimated Annual Income and Expenditures of Households Making Up to 150% of the Federal Poverty Level in 2019 by CBSA																
Type	COMED	LA-Ana-CA	SanFran-Oak-CA	Seattle-WA	New York-NY-NJ-PA	Phil-PA-NJ-DE-MD	Houston-TX	Non-MSA	Other MSAs	Detroit-MI	RivSide-CA	Miami-FL	DC-Arl-Alx-VA-MD-WV	Dal-FtWrt-TX	Phoenix-AZ	Atlanta-GA
Expenditures	$34K	$40K	$37K	$36K	$34K	$32K	$35K	$30K	$32K	$31K	$39K	$35K	$38K	$35K	$35K	$34K
Household Income	$15K	$16K	$13K	$14K	$14K	$13K	$17K	$15K	$15K	$14K	$17K	$15K	$14K	$16K	$15K	$15K

[16] "Shelter" includes household operations and supplies and furnishing. "Transportation and Fuel Cost" includes gasoline, vehicle expenses, public and other transportations. "Other utilities" include water, telephone, and other household fuel. "Food + Alcohol + Tobacco" also includes other personal care products.
[17] Source: Chart is based on data from American Community Survey (ACS) Census data, Bureau of Labor Statistics and Energy Information Administration (EIA).

Table 6: ComEd Bill as Percentage of Household Expenditure of Low-income Customers (150% FPL) in 2019[18]



Estimated Annual Income and Expenditures of Households Making Up to 150% of the Federal Poverty Level in 2019 by CBSA																
Type	COMED	LA-Ana-CA	SanFran-Oak-CA	Seattle-WA	New York-NY-NJ-PA	Phil-PA-NJ-DE-MD	Houston-TX	Non-MSA	Other MSAs	Detroit-MI	RivSide-CA	Miami-FL	DC-Arl-Alx-VA-MD-WV	Dal-FtWrt-TX	Phoenix-AZ	Atlanta-GA
Expenditures	$34K	$40K	$37K	$36K	$34K	$32K	$35K	$30K	$32K	$31K	$39K	$35K	$38K	$35K	$35K	$34K
Household Income	$15K	$16K	$13K	$14K	$14K	$13K	$17K	$15K	$15K	$14K	$17K	$15K	$14K	$16K	$15K	$15K

The discount provided in a wallet share program depends on both the customer's bill amount and income. Some programs consider gas and electric together when determining "wallet share" and some analyze them separately. Illinois' PIPP, for example, considers both gas and electric when determining the 6% wallet share amount. With the State's goal of removing barriers to the adoption of electric vehicles by low-income customers, it may be worth considering setting a different wallet share target for EV low-income customers as well.

Some wallet share programs tie enrollment to an energy efficiency program or usage limitation to encourage customers to reduce their usage, and thus their utility bill. For example, PIPP encourages customers to reduce usage, which reduces the customer's bill before the discount is calculated and applied.

Other wallet share programs cap the bill at percentage income. For example, the Pennsylvania UGI Utilities' Customer Assistance Program ("CAP")[19] caps bills at a percentage of household income depending on FPL percentage:

0-50% FPL: electric or natural gas bill capped at 7% of income

51-100% FPL: electric or natural gas bill capped at 8% of income

101-150% FPL: electric or natural gas bill capped at 9% of income

[18] Source: Chart is based on data from American Community Survey (ACS) Census data, Bureau of Labor Statistics and Energy Information Administration (EIA).

[19] Revised Universal Service & Energy -- Conservation Plan, available at https://www.puc.pa.gov/pcdocs/1343605.pdf, last accessed August 4,2022.

D. Illinois' Wallet Share Program – PIPP

The Illinois PIPP[20] is an innovative program designed to bring gas and electric bills into a reasonable range of affordability, by: 1) setting the customer's share of their monthly utility bills at 6% of their household income; 2) offering an arrearage reduction incentive that allows participants to receive a 1/12th reduction in their arrearages for every on-time regular monthly payment; and 3) providing program participants opportunities to reduce usage and lower their bills by prioritizing households with the highest bills and lowest incomes for home weatherization.

Customers enrolling in PIPP are automatically enrolled in Budget Billing, which is used to set a predictable and fixed monthly expense for which households can plan and budget. PIPP participants are also provided with a monthly benefit, capped at $150 a month, per household, in order to reduce their out-of-pocket payment to the targeted wallet share amount. The customer is required to pay the difference of the Budget Billing amount and the PIPP benefit, on time and in full, to receive an arrearage reduction credit. Thus, PIPP promotes positive payment behavior by incentivizing monthly bill payments by providing an arrearage reduction credit, when applicable.

Since the 2020 program year, eligible PIPP customers were those at or below 200% of the FPL. DCEO has announced the following sliding eligibility scale for the 2022/2023 program year:

- Households (HH) 1-6 individuals are up to 200% FPL (per the below chart)
- HH 7-10 individuals are 60% State median income
- HH 11+ Individuals are up to 150% FPL.

DCEO, LAAs and ComEd promote PIPP through online websites, social media, customer letters and email. Customers must apply for PIPP at their LAA. Customer information and application details are communicated securely and electronically from LAAs to utilities. Once approved, ComEd automatically enrolls customers into the program and "flags" them in ComEd's CIMS system.

There is no question that PIPP is a best-in-class program throughout the country. But 10 years of experience have shown some potential areas of programmatic improvements. For example, because of the customer's long-term commitment with PIPP, those customers with higher financial instability, facing imminent disconnection generally decline PIPP and instead enroll in LIHEAP, which only affords a one-time payment. However, PIPP participants are more successful staying current on their ComEd bills than those customers who opt for the one-time LIHEAP payment. We find that PIPP customers make consistent payments through this program. Increasing PIPP's relative attractiveness compared to LIHEAP would likely result in additional enrolled PIPP customers, who are able to better manage and stabilize their electric and gas bills. In addition, the aspects of PIPP that make it a premier low-income wallet share program in the U.S. also make it complex and time consuming to administer. For example, each customer's individual utility (gas and electric) wallet share has to be determined and verified. It is also a long-term program where many of the program benefits are not realized until the end of the program, which requires PIPP administrators to act more like case managers throughout the program year. This is not to say that the hands-on administrative approach for PIPP should

[20] PIPP was created in 2009 by state statute, 305 ILCS 20/18, *et seq*.

change, but rather it could be improved to create more efficiencies. ComEd has offered a few discrete recommendations to streamline PIPP administration below.

PIPP (and SARP) is funded through the Illinois State Low Income Energy Assistance Program ("SLIHEAP") surcharge that is collected the customer charge on the utility bill. Those amounts are held in what is referred to as the 550 SLIHEAP fund. Prior to 2021, ComEd remitted the majority of the collected SLIHEAP funds to the State. While some of the funding was returned to customers through monthly PIPP benefits, State-funded LIHEAP, and other programs, the majority of the funds went unused by customers and then was swept by the State.

Table 7, which was previously provided by DCEO to ComEd and several stakeholders as part of informal dialogues about PIPP in April 2020, shows the amount of swept funds over six years (2015-2020) from the 550 SLIHEAP fund is approximately $217 million (the "Borrowings" column represents the amount of annual sweeps).

Table 7: History of SLIHEAP Fund Balance (2015-2020)

Year	**Collections**	**Expenditures (non-sweep)**	**Borrowings**	**Balance (end of year)**
2015	111,507,494	112,417,289	(75,049,613)	17,481,300
2016	99,239,893	61,896,327	0	45,580,152
2017	101,928,955	68,838,520	(67,729)	81,239,236
2018	109,629,070	81,855,989	(15,000,000)	90,951,144
2019	100,471,460	49,778,852	(27,074,279)	115,604,715
2020	76,895,221	33,982,425	*(100,000,000)	20,000,000

* Total includes $30 million borrowed and an additional $70 million in COVID response.

In 2021 and 2022, in the midst of the COVID-19 pandemic, DCEO was better able to ensure that SLIHEAP funds were used by customers by creating one-time grant programs to exhaust available funding. Through additional funds provided by the American Rescue Plan Act of 2021 (H.R. 1319), § 4001, enacted on March 11, 2021, and returned funds from the State, DCEO was able to provide more assistance dollars through monthly PIPP Benefits, State and Supplemental LIHEAP, and UDAP. At this time, Supplemental LIHEAP and UDAP are not permanent financial assistance programs, and it is unclear whether DCEO will use them in future years to distribute any unused SLIHEAP funds.

Suggested PIPP Enhancements

ComEd believes that there are things DCEO, the utility, and the agency providers can do to help drive further adoption to more eligible customers. It is important that these approaches are coordinated among both program administrators and customers so that parties do not take isolated actions that inadvertently compound existing issues customers may already be enduring.

One method that would increase adoption among eligible customers is to simplify the PIPP application process undertaken by the LAAs. Simplifying the customer income verification process for PIPP eligibility, such as by automatically qualifying customers already receiving other state assistance, can reduce the burden on the customer and reduce the time it takes the LAA to process customer applications. Increasing efficiency in this area would help eliminate application backlogs and help distribute the available assistance in a timelier manner. ComEd looks forward to resuming the critical conversations ComEd participated in with stakeholders, like DCEO, the Illinois Association of Community Action Agencies ("IACCA") (the agency that provides management and oversight over LAAs), consumer advocates, other Illinois utilities, the LAAs, and through the informal Energy Affordability Discussion Group (EADG) in 2020 and 2021. There were several action items that EADG and the facilitator Mr. John Colgan identified to help improve PIPP that remain unresolved and outstanding.

Additionally, ComEd has identified seven specific recommendations to help enhance and expand the PIPP program.

1. **Expand to Year-Round Program Enrollment**. ComEd recommends expanding enrollment in PIPP to be year-round because customers' assistance needs are not seasonal. Unlike LIHEAP, which is a season (winter heating) program, PIPP was originally envisioned to be a year-round energy assistance program. In actuality, PIPP enrollment is seasonal - typically begins in the Fall and closes the following Spring[21] – because the PIPP administrators (*i.e.*, the LAAs) do not have the capacity to support year-round enrollments. Recent increases to LAAs administrative funding should help support increased enrollment capacity. Eliminating enrollment black-out periods would help ensure that customers are not denied access to the PIPP program and its benefits simply because they missed an arbitrary enrollment deadline. Because PIPP is administered by the LAAs, expansion of the enrollment window by DECO would likely be a multi-year effort and may require additional funding for LAAs, and administrative system upgrades. These could be pursued through the Policy Advisory Committee ("PAC") (a quarterly forum led by DCEO and includes Illinois utilities and other utility stakeholders/customer advocates) if necessary.

2. **Modify Program Eligibility for Consistency.** ComEd recommends that PIPP eligibility requirements be modified to be consistent with other assistance programs. PIPP eligibility is currently up to 200% FPL or 60% State AMI, however, it is subject to change as DCEO can update the requirements each program year. Other low-income assistance programs, such as some programs within ComEd's energy efficiency portfolio, use 80% AMI. ComEd recommends that modifications to PIPP eligibility should be made to conform to the traditional Part 280 eligibility requirements (*i.e.*, Energy Assistance Act). Modifying for consistency across programs will minimize confusion about the programs for which the customers are eligible and streamline eligibility verification processes.

3. **Improve Program Re-Enrollment Process.** PIPP customers must recertify annually with the LAA, which requires an annual submission of income documentation. ComEd recommends that the re-enrollment process for existing PIPP customers be simplified for recertifying categorical eligible customers. One method for simplification would be to consolidate the multiple forms currently

[21] For example, the 2022/2023 PIPP program year begins September 1, 2022, and closes May 31, 2023.

required into a single form to confirm eligibility. Through historic PIPP program participation and data, LAAs are aware of who is likely to continue qualifying as income-eligible, so it would promote efficiencies if DCEO created a process for LAAs to automatically re-enroll eligible customers into the PIPP program.

4. **Leverage Similar Programs.** ComEd recommends that PIPP leverage existing programs that customers are participating in to identify eligibility. For example, programs, such as the Supplemental Nutrition Assistance Program ("SNAP") or Temporary Assistance for Needy Families ("TANF"), use the same or similar eligibility criteria. A customer's enrollment in these programs could constitute either a pre-approval or an automatic approval for purposes of the PIPP application or reenrollment process. This effort would require alignment in program eligibility (see recommendation #2 above) as well as technology enhancements to support secure customer information among LAAs, the utilities, and other program administrators/agencies.

5. **Maximize Available Funding and "Unlock" Additional Funding**. Recent updates to the Energy Assistance Act, specifically Senate Bill 265, encourages the State to spend at least 80% of its available annual funding and to double the 2020 program year participation by 2024. If these goals are achieved, it would increase the current Base Energy Assistance Charge of $0.48 per month up to a maximum of $0.96 per month for any calendar year. (305 ILCS 20/13(b)(6)). It's important to note that there are higher monthly charges based on customer class. Non-residential electric service customers (with less than 10 megawatts of peak demand during the previous calendar year) shall be charged 10 times the Base Energy Assistance Charge per month. And larger non-residential electric customers (10 megawatts or greater) shall be charged 375 times the Base Energy Assistance Charge. The increased funding is only "unlocked" if 80% or more of the annual assistance funding is used. Therefore, ComEd strongly recommends prioritizing connecting customers with the available assistance funds so that the 80% fund exhaustion goal can be met, and the additional assistance funds can be "unlocked." Furthermore, in light of this established statutory funding mechanism and increased available funding, ComEd recommends that any proposed new low-income programs that relies on increased customer contributions as the funding source be critically analyzed.

6. **Performance Metrics for LAAs.** Understanding the number of customers applying for and receiving PIPP would help determine if efforts to enhance and expand the program are working. This can be accomplished by developing performance measures to track participation and LAA performance. Possible agency metrics to consider include:

   - The number of and percentage of eligible customers who are participating in these programs.

   - Productivity metrics, such as application and recertification backlogs, appointment wait times, and time taken to process applications.

   - The percentage of allocated funding applied to customer bills; and

- Survey responses of those seeking to receive assistance.

7. **Index of Need Realignment.** DCEO provides LAAs with allocations of state and federal funding to serve PIPP customers based in large part on a DCEO Index of Need. The Index of Need takes into consideration: poverty data, family size, and geographic location in Illinois. But there are some inherent flaws in the current Index of Need approach. One example is a college town, where there is a high percentage of income eligible residents (*i.e.*, college students), so DCEO allocates a large portion of funding to the town. But the college students will not or cannot enroll in the assistance programs, and the funding is unused. By reevaluating the Index of Need, we may be able to better disburse dollars where they are most needed and will be used.

E. Arrearage Reduction

Arrearage reduction programs provide variable dollar credits, based on program eligibility requirements, to offset a portion of customer bills that were previously unpaid. The credit can be applied monthly or annually.

i. Illinois/ComEd Arrearage Reduction Programs

Eligible ComEd customers are afforded access to arrearage reduction programs administered by DCEO, the LAAs, and ComEd. These programs are funded from customer contributions and are designed to forgive amounts owed on energy bills, provided current customer energy bill payments are made on-time and in-full each month.

Utility Disconnection Avoidance Program (UDAP) was administered in 2021 and 2022, thanks to additional state funding made available during the COVID-19 pandemic to prevent eligible customers from service disconnection after the winter moratorium ended. UDAP was automatically provided to all LIHEAP and PIPP customers with arrearages with the one-time UDAP amounts ranging from $250 and $5,000, based on the customer arrearage balance.

Bill Payment Assistance (BPA) was administered by ComEd in 2020 and 2021 and was authorized by ICC orders in ICC Docket No. 20-0309. ICC Emergency Interim Order; ICC June 18, 2020, Order at 2-3; ICC March 18, 2021, Order on Reopening at 3. The primary purpose of BPA was to provide a safety net to residential customers when the extent of economic damage caused by COVID-19 was unknown. The BPA program was intended to provide eligible residential customers with relief from high arrearages incurred as a result of financial hardship caused by the COVID-19 pandemic.

- In **2020**, BPA provided up to $500 to customers who were LIHEAP/PIPP-qualified residential customers with an arrearage on their ComEd account. Those residential customers who had an arrearage on their ComEd account, at or below 200% FPL and are unable to qualify for LIHEAP assistance were also eligible to apply online at comed.com and provide income documentation. The 2020 BPA program was launched in July 2020 until the $18.2 million in program funds was exhausted in December 2020.

- In **2021**, BPA provided up to $500 per customer up to 300% FPL in the form of either (1) reconnection assistance or (2) arrearage relief. Enrollment and verification were completed by ComEd through a self-verification process, where the customers only had to call ComEd to express financial hardship, request the funds, and establish a deferred payment agreement ("DPA") (if applicable). Within 5 days of program launch, the $7 million of arrearage forgiveness funds were exhausted, and the $2.1 million in reconnection assistance was exhausted within 10 days.

ComEd is the first and only Illinois utility with a **Supplemental Arrearage Reduction Program (SARP).** SARP was implemented at ComEd in late 2019. The Illinois Energy Assistance Act allows utilities to use funds collected from customers through the 550 SLIEAF fund to support this additional energy assistance offering.[22]. The SARP program eases the customer's financial stress of paying for electricity by providing a monthly arrearage credit while also encouraging energy efficiency.

Income eligibility for SARP mirrors PIPP's eligibility requirements, and thus DCEO's determination of program eligibility requirements every program year for PIPP also impacts SARP.

As of August 1, 2022, over 9,000 ComEd customers are enrolled in SARP, which provides more than $1 million total in arrearage credits to SARP participants annually. Historically, no more than $3.4 million has been used between both PIPP and SARP programs for arrearage forgiveness credits within a calendar year, despite approximately $7 million being available to disburse between both programs. Therefore, as was discussed with PIPP, there is a significant opportunity to expand both programs to assist more customers access the available funding.

ComEd administers SARP by leveraging categorical eligibility for LIHEAP for those customers with an arrearage over $100. ComEd solicits eligible customers for SARP enrollment through SARP Solicitation letters, proactive Customer Service Representatives ("CSR") recommendation and through the self-serve Smart Assistance Manager ("SAM") program recommendation tool. Customers contact the ComEd Call Center or SARP email address (ComEdSARP@exeloncorp.com) to apply for SARP. Once enrolled, customers are automatically placed on Budget Billing and arrearage forgiveness credits are provided for every monthly one time and in full payment.

ComEd encourages other utilities to establish their own SARP program, especially since SARP already has established funding. In addition, ComEd is always working to improve its own SARP and expand enrollment. Many of the recommendations ComEd provided above related to PIPP improvements also pertain to SARP. In addition, in 2022, ComEd is enhancing our CSR's tools to expand SARP enrollment to more LIHEAP eligible customers. ComEd is also assessing a way to expand SARP enrollment by performing income verification with a third-party contractor to expand SARP eligibility outside of the LIHEAP customer population. These actions will help streamline program administration, expand outreach to more eligible customers and use more of the available funding to serve customers in need.

Recovery

Recovery of the low-income program costs can be approached in several ways. When considering program cost recovery, some key considerations include the following:

- In investigating the merits of a program that includes a discounted rate (*i.e.*, one that does not recover the full cost of service from each customer), consideration

[22] 305 ILCS 20/18(a), 5.5.

must be given as to which delivery class(es) should be responsible for funding the program costs (*i.e.*, residential only or all classes) and whether the low-income customers receiving the program benefits also contribute to the program cost recovery.

- Consideration must be given in terms of which portion of the bill will be discounted (*e.g.*, supply, delivery, total bill) and how those costs will be recovered.

- Total program costs (*i.e.*, actual costs or costs up to a certain cap).

- When the costs are recovered (*i.e.*, before or after costs are incurred). This drives whether recovery is made for actual program costs, forecasted program costs or a hybrid approach (forecasted costs with a reconciliation). The recovery mechanism chosen depends on if the recovery is before or after the funds are distributed. Collecting the funds first, to control budget, could be a more appropriate approach to ensure future reconciliations do not cause unexpected increases if spending is not in-line with the amounts collected for programs.

- Accounting of program costs (*i.e.*, expense or amortized regulatory asset). If the funding required is significant enough to cause an impact on customer bills, the funding could be put into a regulatory asset to have more levelized bills over time.

- Rate mechanism (*i.e.*, delivery service charges or separate rider). If done through delivery service charges, a reasonable estimate of the total amount provided would need to be included in the Company's forecasted revenue and then reconciled in future rates. A rider provides more flexibility to revise the charge as circumstances evolve.

- Calculation of amount recovered per customer (*i.e.*, fixed amount, or based upon a customer's kWh or kW usage). The calculation method selected will have different impacts on different types of customers' and the charge could change as circumstances evolve.

Verification

There is an inherent tension for all eligibility verification models for low-income programs that must balance the program's goal to serve as many eligible customers as possible with ensuring available funds are serving eligible customers and not diverted to ineligible customers. When designing a new low-income program, several factors should be considered when determining the manner and vigor of eligibility verification needed, including the customer's time and level of effort to apply and the administrator's cost and level of effort to administer the program.

The various program eligibility verification processes range from low effort (no customer action or application required) to high effort (customer application and income documentation required). The types of eligibility verification range in customer and administrative level of effort. Below is a chart listing the primary eligibility verification types from highest to lowest level of effort for customers.

Table 8: Level of Effort by Verification Process

Verification Type	Customer/Administrator Level of Effort
Application Required/Income Documentation Required to Verify	High: Customers apply via phone, fax, online or by mail, with household income documentation verification required for each application
Application Required/Categorical Eligibility	Medium: Customers apply via phone, fax or online with proof of eligible program participation to automate eligibility verification
Application Required/Self Verification	Low: Customers apply via phone or online without supporting income documentation
Automatic Enrollment	None: No application or customer action required

Low-income program eligibility verification can be performed by several different entities, such as the LAAs, third-party administrator or in some cases by the utility. In the event a new low-income program is created that names the utility as the program administer, ComEd might explore a third-party administrator to manage the program eligibility and income verification of programs for ComEd (since income-based program verification is not a core function of an electric utility). A third-party administrator could serve the same function for northern Illinois gas utilities so that it could be a "one stop shop" verification process to promote customer and utility efficiencies and create a better customer experience.

A. Verification by ComEd

In the last few years, ComEd has helped administer several low-income programs, all of which had different verification processes. Two such programs are UDAP and SARP.

i. UDAP

2021 – Utility Disconnection Avoidance Program ("UDAP") provided an arrearage forgiveness grant between $250 to $5,000 to customers receiving LIHEAP and PIPP benefits from July 2018 to May 2021. No customer action was required to receive the UDAP grants. To help DCEO administer the program, ComEd provided DCEO with customer information for eligible customers, including customer account numbers and arrearage amounts, through a secure site. In 2021, over 51,500 ComEd customers received $43.6 million in UDAP arrearage forgiveness grants.

2022 – In 2022, the UDAP program, and ComEd's involvement, was the same as 2021. In 2022, over 16,000 ComEd customers received $10.3 million in UDAP arrearage forgiveness grants. No action was required by the customer to receive the grants.

ii. SARP

Currently, ComEd customers who are receiving LIHEAP benefits and have an arrearage of $100 or more are eligible to participate in SARP. Customers must apply for SARP.

ComEd administers SARP and confirms a customer's eligibility by verifying in the ComEd CIMS that the customer is receiving LIHEAP benefits and has an arrearage of $100 or more. Customers are not required to provide any additional documentation.

B. Bill Payment Assistance Program (2020 & 2021)

ComEd administered its BPA program in 2020 and 2021, including the eligibility verification, which differed by year.

2020 – For those ComEd customers who were receiving LIHEAP/PIPP benefits and had an arrearage, ComEd automatically applied the BPA up to $500. Residential customers who had an arrearage on their ComEd account, at or below 200% FPL and were unable to qualify for LIHEAP assistance were also eligible to apply online at comed.com.

2021 – Enrollment and verification needs were completed by ComEd through a self-verification process. Customers enrolled by calling the customer contact center where CSRs leveraged ComEd's low-income tool to determine eligibility and establish a deferred payment agreement ("DPA") if applicable. No additional documents were required.

C. Waiver of Deposits and LPCs

While not technically a "low-income program" in the traditional sense of a rate discount or bill credit, the Waiver of Deposits and LPCs Program administered by ComEd since late 2021 deserves some explanation when it comes to its unique 3-pronged verification process. As required by Section 8-201.1, ComEd created a process in late 2021 to identify customers eligible for a waiver of deposits and late payment fees.[23] Three different verification methods are used, each tailored to a specific type of customer, to reduce administrative efforts on both customers and ComEd.

1. **Automatic Enrollment** – LIHEAP, PIPP, SARP and qualified Energy Efficiency customers were automatically enrolled, so no customer action was needed.

2. **Pre-approval based on Geographic Area** – Categorical eligibility is given to customers living in 'qualified census tracts' (representing areas designated by zip codes with 60% or more residents at 80% AMI or less). Customers must apply for the waiver and agree to the program's terms and conditions24; however, no income documentation is required.

3. **Income Verification or Enrollment in other Programs** – all other customers must submit an application with either household income or proof of enrollment in other program types of acceptable documentation to demonstrate eligibility. This documentation may include, but is not limited to:

    - Current income documents

[23] ComEd – General Terms and Conditions, available at https://www.comed.com/SiteCollectionDocuments/MyAccount/MyBillUsage/CurrentRates/09_General_Terms_and_Conditions.pdf, last accessed August 12, 2022, and ICC Docket No. 21-0810.

[24] ComEd – General Terms and Conditions, available at https://www.comed.com/SiteCollectionDocuments/MyAccount/MyBillUsage/CurrentRates/09_General_Terms_and_Conditions.pdf, last accessed August 12, 2022.

- Previous year state, federal, or Tribal tax return
- Social Security statement of benefits
- Veterans Administration statement of benefits
- Retirement or pension statement of benefits
- Unemployment or Worker's Compensation statement of benefits
- Lifeline program enrollment
- Supplemental Nutrition Assistance Program (SNAP)
- Supplemental Security Income (SSI)
- Medicaid

In the event that a customer does not have any income (and therefore, has no proof of income), ComEd allows a customer to submit a signed "no income" form.

Confidentiality

A. Customer-Specific and Other Private Personal Information

Illinois law considers a variety of customer-specific information to be confidential including, but not limited to, social security numbers, banking and credit card information, and medical conditions.[25] In addition, the PUA provides several utility-specific protections for customer information. For example, in the context of the provisions regarding an electric utility's Advanced Metering Infrastructure ("AMI") implementation plan, the PUA extends protection to a "customer's name, address, telephone number, and other personally identifying information, as well as information about the customer's electric usage." 220 ILCS 5/16-108.6(d). The PUA, with respect to electric service, also generally protects "customer specific billing, usage, or load shape data." The Commission has defined "customer specific information"[26] as "information about the customer's use of or payment for electric utility [service] that is either expressly linked with a customer's identity or could, with reasonable effort, be linked to the customer's identity," and has prohibited the disclosure of such information.[27]

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[25] *See, e.g.*, 815 ILCS 505/2HH (Illinois Consumer Fraud and Deceptive Business Practices Act); 20 ILCS 3855/1-120 (Illinois Power Agency Act); 815 ILCS 530/5 (Personal Information Protection Act); 5 ILCS 140/7(1)(c) (Illinois Freedom of Information Act).
[26] *Ill. Commerce Comm'n on its Own Motion: Investigation of Applicability of Sections 16-122 and 16-108.6 of the Public Utilities Act*, ICC Docket No. 13-0506 (Final Order Jan. 28, 2014) at p. 17.
[27] *See, e.g., Ill. Commerce Comm'n on its Own Motion: Investigation of Applicability of Sections 16-122 and 16-108.6 of the Public Utilities Act*, ICC Docket No. 13-0506 (Final Order Jan. 28, 2014) at p. 17.

B. Confidential Customer Information in the Context of Low-Income Rate Programs

There are two particular points at which customer information is generated or gathered in the context of a low-income discount rate program.

First, customer information will be needed for program eligibility verification and re-certification. Depending on the program eligibility criteria and verification method, customers may be asked to provide confidential customer information (such as income, social security numbers and billing information) during the program application and re-certification stages.

Second, customer information, such as energy usage information or past due balances, will be generated and compiled by the utility during the course of the program. That information may be required to report as part of Commission-required periodic program reporting requirements.

C. Measures to ensure customer confidentiality and data safeguards

There are certain measures that can be taken to protect confidential customer information involved in a low-income discount rate program during the program.

i. Program Designs to Safeguarding Customer Information

The program design phase initiates the need for specific measures, including both program and customer eligibility requirements. Customer eligibility requirements dictate what types of customer information will be collected, retained, and reviewed by the program administrator and/or utility. Program eligibility requirements should be thoughtfully designed to clearly identify what the eligibility requirement factors are (*i.e.*, income) as well as what customer information is needed to satisfy eligibility determination (*i.e.*, proof of income).

Additionally, the identification of the program administrator and eligibility verifier is an important design consideration. There are entities, such as LAAs, that have already collected customer information as part of other program eligibility determinations (*i.e.*, LIHEAP). Identifying them as the program administrator would leverage existing efficiencies and data safeguards. In contrast, requiring a party (*i.e.*, electric utility) to administer the program and conduct the eligibility verification would require the utility to gather the information anew and establish (likely expensive) data collection, retention and protection processes and procedures.

ii. Safeguarding Customer Information During Eligibility Verification & Recertification

Customer eligibility verification must be a balance of conducting sufficient eligibility verifications to ensure that the program is subscribed by those customers it was designed to assist, while also not collecting and retaining more confidential customer information than necessary.

During the verification process, certain measures can be taken to safeguard confidential customer information collected, such as:

- Robust cybersecurity processes and protections
- Strong records retention policies and procedures
- Use of third-party verification vendors (which would keep the data, rather than the utility)
- Thoughtful audit procedures

To the extent that the utility (or its vendor) is performing the eligibility verification, there will be incremental costs incurred. Additionally, if there are dual utilities involved in the program administration, it is important that any eligibility verification and re-verification process be done either jointly, or in a simple, streamlined, and consistent manner across the dual utilities.

To the extent customers are asked to periodically re-certify their program eligibility, all these considerations also apply.

ComEd takes stewardship of this income data seriously. ComEd securely stores any electronic data in the cloud while locking any printed documents in an on-site location prior to securely shredding and recycling after 90 days.

iii. Program Reporting

Once confidential customer information has been created, there are various mechanisms to ensure that the information is not disclosed during periodic program reporting. For example, Commission-approved protective orders govern the exchange of confidential customer information during Commission proceedings. When reporting on customer usage, parties must abide by the "15/15 Rule" in Illinois, which requires a party to anonymize that information. *See Illinois Commerce Commission : On Its Own Motion : Investigation of Applicability of Sections : 13-0506, 16-122m and 16-108.6 of the Public Utilities Act*, ICC Docket No. 13-0506 (Final Order Jan. 28, 2014)at pp. 9, 17. Alternatively, if such anonymization is not reasonably possible, a party can redact the customer-specific and private personnel information and clearly label the page(s) that contain such information as "Customer-Specific," or "Private Personnel Information".

Customer Education and Outreach

Ensuring that eligible customers are aware of low-income programs not only increases program enrollment, but it also helps ensure that the available assistance dollars (and their benefits) are being maximized.

There are many outreach tactics that can be used to increase awareness of low-income programs and encourage customer enrollment in the programs. Recent examples of outreach strategies used by ComEd include:

- **Proactive outreach across various communications channels** such as bill inserts, social media posts, and advertising campaigns. These communications include broad outreach to maximize the volume of customers made aware of the available programs and specifically targeted outreach to communities where the average income aligned with program eligibility criteria.

- **Hyper-targeted marketing and outreach** using high-and low-tech solutions (*i.e.*, geo-targeting, mailed letters, digital/social media, community newsletters, in-person events, radio spots, advertising such as on public transit facilities, etc.).

- **Community ambassadors**. Since 2020, ComEd has partnered with community agencies to hire members of the community to educate community residents about available assistance programs and energy management programs.

- Identify/refer customers to PIPP and other assistance opportunities through the online ComEd **Smart Assistance Manager tool**, which allows customers to receive tailored program recommendations based on customer reported information and customer account data points.

- Include program information within **customers' bills**:

  - Provided customer newsletters as bill inserts, many of which contained information about financial assistance options and flexible payment arrangements.

  - Provided both ComEd's website address (www.comed.com) and the Call Center toll-free phone number (1-800-Edison1), within/on customer bills - both of which connected customers to financial assistance information.

  - Included information about financial assistance options and how to apply for them within disconnection notices for those customers who meet the threshold for service disruption.

Impact on Other Customers

There are two primary components of program costs: 1) direct costs of any program discounts or credits and 2) program administration costs. The total cost of any discount or credit depends on the eligibility criteria and the size of the discount/credit per customer. Program design, such as Targeted Wallet share, are extremely sensitive to economic conditions (such as inflation and interest rates), as well as the conditions in the energy market. The program administration costs depend on the administrating agency, how much of the administrator's existing infrastructure can be leveraged, the program eligibility and recertification verification requirements, and any new investment required to implement the program.

The bill impact of the cost of the program depends on several factors including but not limited to:

- Who is paying for the discount? Will it be paid by only residential customers, or will nonresidential customers pay for the program as well?

- The total cost of the program, including administrative costs.

- The type and timing of recovery. If treated as a regulatory asset, the cost of the programs will be spread across multiple years, thereby mitigating the impact on rates. If the costs are treated as expenses, they will have a direct impact on rates.

- Reduction of uncollectibles resulting from the low-income program.

CONCLUSION

ComEd greatly appreciates this opportunity to provide informal thoughts to Staff about low-income programs. ComEd is proud of its recent contributions to low-income programs, such as PIPP, SARP, BPA, and UDAP. We look forward to continuing conversations with Staff and stakeholders about improving and expanding these existing programs and maximizing ("unlocking") available funding. There are also many considerations to take into account when considering new low-income program designs, and ComEd is excited to participate in any future such discussions to ensure affordability for all customers.